(c) Cases of illegal transactions in foreign exchange involving Non-Resident External (NRE) Accounts in various banks have been detected by the Enforcement Directorate. Many of these cases pertain to past violations getting detected now.

(d) Details of FERA violations in Bangalore, Madras, Calcutta Delhi and Bombay for the years 1992-1995 are given below:—

| City | 1992 | 1993 | 1994 | 1995 (upto 16.4.95) |
|---|---|---|---|---|
| Bangalore | 54 | 61 | 52 | 75 |
| Madras | 1106 | 977 | 695 | 68 |
| Calcutta | 106 | 57 | 82 | 5 |
| Delhi | 40 | 40 | 125 | Nil |
| Bombay | 219 | 234 | 252 | 10 |

(e) Some of the remedial measures taken to curb the menace of illegal transactions in foreign exchange are as under:—

(i) Efforts are made by using the powers under FERA to detect havala transactions and punish the offenders;

(ii) Ruppe has been made convertible on the current account;

(iii) Reteurning Indian and (Non-Resident Indians) NRIs have been allowed to import 5 kg. of Gold with a modest import duty provided the gold as well as the import duty is funded by foreign exchange earned abroad;

(iv) All exporters as well as other foreign exchange earners have been allowed to convert their foreign exchange earnings at the market rate; and

(v) Rates of Customs duty have been reduced.

**Increase in excise revenue**

*311. SHRI CHIMANBHAI MEHTA:
SHRI G. G. SWELL:

Will the Minister of FINANCE be pleased to state:

(a) whether it is a fact that notwithstanding reduction in excise duties during the last two years, excise revenue has significantly increased;

(b) if so, which are the industries on which excise was reduced, to what extent reduction was effected and what is the increased generation of revenue;

(c) the details of major industries on which excise burden was reduced and excise revenue increased and also further reduction effected in the current Budget and expected higher yields in excise revenue;

(d) for what factors the reduction in excise duties generates higher revenue;

(e) which are the major industries carrying the higher burden of excise duties as assessed by the Department;

(f) whether the benefits of reduction in excise duties are passed to the consumers;

(g) if so, the details in this regard;

(h) whether the duty reduction has increased production; and

(i) if so, the details thereof?

THE MINISTER OF STATE IN THE MINISTRY OF FINANCE (SHRI M. V. CHANDRASHEKARA MURTHY): (a) The reliefs in excise duties announced

as part of Budget 1994-95 proposals were estimated to result in revenue loss of Rs. 1999.85 crore in a year. However, despite this, the collections from excise duties (exclusive of the cesses not administered by Department of Revenue) during 1994-95 showed an increase of 17.85 per cent (provisional) over the actual collections made in 1993-94.

(b) Details are given in the Memorandum explaining Provision in the Finance Bill, 1994 and in the Memorandum explaining Provision in the Finance Bill, 1995. However, some of the major items on which duty was reduced in 1994-95 budget and in the 1995-96 budget and the extent of reduction in each case are indicated in Statement-I. (*See* below) The additional revenue realised in respect of each of the items is not readily available. However, on the whole, the revenue from excise duties 1994-95 was 17.85 per cent (Prov.) higher than the revenue realised in 1993-94.

(c) The major industries on which excise duty was reduced in the current budget and are expected to yield higher revenue are:

1. Cosmetics
2. Polymer based paints
3. Plastic resins
4. Polyester filament yarns
5. Glazed ceramic tiles
6. Aerated waters
7. Air-conditioners
8. Motor vehicle parts

(d) The excise revenue has shown increase inspite of the duty reductions because of the gains from better compliance, easier administeration and increase in industrial growth.

(e) It is felt that 30% or higher duty could perhaps be taken as "higher" duty of excise. The list of the major commodities having basic excise duty rates of 30% or above is given in Statement-II (*See* below).

(f) and (g) The price of commodities is determined by market forces and depends on multiplicity of factors including cost of production, demand and supply position and level of taxation. Excise duty is levied at production point and there is a long chain of intermediaries between production point and the consumer who add their cost and profits to the ex-factory price.

(h) and (i) Increase in production depends on several factors, the level of taxation being one of them. The industrial growth which was only 0.6% in 1991-92 has shown a growth of 8.3% in April '94—December '94. The manufacturing sector has grown at 8.5% and the capital goods sector has grown at 22.2% during the same period.

**Statement-I**

*Major commodities on which basic excise duty reduced in Budget* 1994-95

| Commodity | From | To |
|---|---|---|
| Aluminium | 25% | 20% |
| Bulk Polymers | 35% | 30% |
| Cellular rubber | 70% | 30% |
| Computer parts | 25% | 20% |
| Cosmetics | 70% | 50% |
| Detergent powder | 35% | 30% |
| Electric wire and cables | 35% | 30% |

| Comnodity | From | to |
|---|---|---|
| Glazed ceramic tiles | 55% | 40% |
| Optical fibre cables | 35% | 20% |
| Parts of motor vehicles | 25% | 20% |
| Polymer based paints | 35% | 30% |
| Primary batteries | 40% | 30% |
| S.O. Dyes | 25% | 20% |
| White cement | 40% | 30% |

*Major commodities on which basic excise duty reduced in Budget 1995-96*

| | From | to |
|---|---|---|
| Aerated waters | 50% | 40% |
| Air conditioner | 60% | 40% |
| Aluminium | 20% | 15% |
| Ball bearings | 20% | 15% |
| Ceramic wares | 30% | 20% |
| Cosmetics | 50% | 40% |
| Glass Bottles | 30% | 20% |
| Glazek ceramics | 30% | 20% |
| Glazed Tiles | 40% | 30% |
| HDPE monofilament yarn | 30% | 20% |
| Parts of computers | 20% | 15% |
| Parts of motor vehicles and two wheelers | 20% | 15% |
| PFY (industrial grade) | 30% | 20% |
| Plastic basek paints | 30% | 20% |
| Plastic Resins | 30% | 25% |
| Polyester Filament Yarn | 60% | 50% |
| Polypropylene monofilament yarn | 30% | 20% |
| Specified parts of capital goods | 20%/25% | 15% |
| Wires and Cables. | 30% | 25% |

**Statement-II**

*Major Commodities having basic excise duty rates of 30% or above*

| Duty Rates | Name of the Commodities |
|---|---|
| 30% | |
| | Carpets |
| | Detergents |
| | Nylon filament yarn |
| | Split air conditioners for use in buses |
| | Taxis |
| | Glazed ceramic tiles |
| 35% | |
| | Tyres (Aerotyres and power tiller tyres) |
| | Off the road tyres |
| 40% | |
| | Chewing Tobacco |
| | Branded Unmanufactured Tobacco |
| | Motor cars |
| | Travel sets |
| | Aerated Waters |
| | Preparations of lemonades for use in manufacture of aerated waters |
| | Cosmetics |
| | Air Conditioners and their parts |
| 50% | |
| | Pan masala |
| | Polyster filament yarn |

Note :—It does not include commodities which are subjected to excise duties and on which the ad valorem incidence of duty is 30% or more.

**Cost of Power from Projects with Guaranteed Return on Investment**

*312. SHRI KANAKSINH MOHANSINH MANGROLA: Will the Minister of POWER be pleased to state:

(a) the estimated cost per unit of power supplied to the concerned State Electricity Boards in the seven "fast track" projects where Union Government have guaranteed the ROI or where Union Government are considering extending guarantee for a certain Return on Investment (ROI)), the project-wise details thereof;

(b) what is the Rupee component and the foreign exchange component therein, direct or indirect;